

ORIGINAL HOUSE  
BILL NO. HB0122

ENROLLED ACT NO. 21, HOUSE OF REPRESENTATIVES

SIXTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING  
2026 BUDGET SESSION

AN ACT relating to the federal rural health transformation program funds; establishing the Wyoming rural health transformation program; creating an advisory committee; creating a perpetuity fund; authorizing investments as specified; creating an expenditure account; continuously appropriating an annually required distribution; providing for governance, fiscal controls, accountability and reporting requirements; authorizing expenditures, initiatives, grants and awards; providing for deposits and appropriations; requiring rulemaking; directing studies; and providing for an effective date.

*Be It Enacted by the Legislature of the State of Wyoming:*

**Section 1.** W.S. 35-25-701 through 35-25-709 are created to read:

ARTICLE 7  
WYOMING RURAL HEALTH TRANSFORMATION

**35-25-701. Short title.**

This act shall be known and may be cited as the "Wyoming Rural Health Transformation Sustainability, Accountability and Fiscal Protection Act."

**35-25-702. Definitions.**

(a) As used in this article:

(i) "Advisory committee" means the Wyoming rural health transformation advisory committee created in W.S. 35-25-703;

(ii) "Annual required distribution" means:

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(A) Beginning July 1, 2026 and ending June 30, 2036, the greater of:

(I) The total program income, as defined in 2 C.F.R. § 200.1, earned during the previous fiscal year that is required to be expended under federal statutes, federal regulations or the terms and conditions of the Wyoming rural health transformation plan; or

(II) Four percent (4%) of the cumulative total of funds deposited into the perpetuity fund since inception, as calculated on the first day of each fiscal year.

(B) Beginning July 1, 2036 and each fiscal year thereafter, four percent (4%) of the previous five (5) year average market value of the perpetuity fund, as calculated on the first day of each fiscal year.

(iii) "Department" means the department of health;

(iv) "Perpetuity fund" means the Wyoming rural health transformation perpetuity fund created in W.S. 35-25-704;

(v) "Purpose-dedicated share" means a discrete fractional interest of the annual required distribution allocated to a specific allowable perpetuity fund expenditure authorized in W.S. 35-25-706;

(vi) "Rural health transformation funds" means federal funds awarded to the state of Wyoming under the federal rural health transformation program established by

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section 71401 of the federal One Big Beautiful Bill Act,  
P.L. 119-21;

(vii) "Wyoming rural health transformation plan" means the rural health transformation program application submitted to and approved by the federal government pursuant to section 71401 of the federal One Big Beautiful Bill Act, P.L. 119-21, and shall include any terms and conditions specified in any associated notice of award, cooperative agreement or similar federal instrument governing the receipt or use of funds, and any amendments thereto;

(viii) "Wyoming rural health transformation program" means the program established in W.S. 35-25-705.

**35-25-703. Wyoming rural health transformation advisory committee; legislative liaisons.**

(a) There is created the Wyoming rural health transformation advisory committee. The advisory committee shall be composed of nine (9) voting members, each of whom shall serve for a term of four (4) years. The governor shall make appointments and fill any vacancies for unexpired terms. Members are eligible for reappointment. The governor may remove any member as provided in W.S. 9-1-202.

(b) The director of the department or the director's designee and the director of the state budget department or the director's designee shall serve as ex officio members of the advisory committee, having the right to speak but not to vote.

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(c) One (1) senator appointed by the president of the senate and one (1) representative appointed by the speaker of the house shall serve as nonvoting legislative liaisons to the advisory committee.

(d) The advisory committee shall select one (1) of its voting members to serve as chairman.

(e) The advisory committee shall meet not less than two (2) times per year.

(f) Voting members shall serve without compensation but shall be reimbursed for expenses incurred in the performance of their duties in the manner and amounts provided by law for state employees. Legislative liaisons shall be paid salary, per diem and mileage as provided in W.S. 28-5-101 when attending meetings of the advisory council.

(g) The advisory committee shall review the operations of the perpetuity fund and provide formal written recommendations to the department regarding the annual required distribution and allowable perpetuity fund expenditures. The department shall review any recommendations from the advisory committee and provide a written response.

(h) The advisory committee shall review and approve each grant, award or expenditure of rural health transformation funds in excess of five hundred thousand dollars (\$500,000.00), excluding deposits into the perpetuity fund.

**35-25-704. Wyoming rural health transformation perpetuity fund; investment; distributions.**

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(a) There is created the Wyoming rural health transformation perpetuity fund. The perpetuity fund shall consist of monies designated to the fund by law and other contributions, grants, gifts, bequests and donations made to the fund.

(b) The state treasurer, or the treasurer's designee, who shall be registered under the Investment Advisor's Act of 1940, as amended, if required to be registered by the terms of that act, as amended, shall invest the unobligated, unencumbered balance of the Wyoming rural health transformation perpetuity fund as authorized by law. Investments of the perpetuity fund shall be in accordance with subsection (c) of this section, if effective, and W.S. 9-4-715(a) and (c) through (e) and 9-4-716. All investment earnings shall be deposited to the perpetuity fund. In adopting investment policy statements for the perpetuity fund, the state loan and investment board, in consultation with the investment funds committee, shall seek to preserve the balance of the fund in a manner that strives for the highest possible risk-adjusted total net return consistent with an appropriate level of safety and liquidity to maintain a consistent annual required distribution.

(c) If this article is enacted by the legislature pursuant to the voting requirements of article 16, section 6(a)(ii)(B) of the Wyoming constitution, the state treasurer may invest the unobligated, unencumbered balance of the perpetuity fund in equities, including stocks of corporations.

(d) All monies deposited to the perpetuity fund, including investment earnings, shall be expended only for the allowable perpetuity fund expenditures authorized under

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the Wyoming rural health transformation program and in accordance with the terms and conditions under which the monies are received. Rural health transformation funds, and investment earnings thereon, expended in violation of the terms and conditions under which the monies are received shall be returned by the state to the federal source from which the monies originated.

(e) Each one million dollars (\$1,000,000.00) of principal deposited to the perpetuity fund shall be allocated to one (1) purpose-dedicated share by the department, or fractional value thereof if a deposit is less than one million dollars (\$1,000,000.00).

(f) The annual required distribution is continuously appropriated to the Wyoming rural health transformation expenditure account, which is hereby created. The state treasurer shall annually credit the annual required distribution to the expenditure account not later than September 30 of each year. Monies in the expenditure account shall only be expended by the department for allowable perpetuity fund expenditures under W.S. 35-25-706, the Wyoming rural health transformation plan and all other requirements and limitations specified in this article. Any unexpended, unobligated funds remaining from an annual required distribution, after a reasonable period for expenditure for which the funds were continuously appropriated, as recommended by the advisory committee and determined by the department, shall revert to the Wyoming rural health transformation perpetuity fund.

(g) Subject to W.S. 35-25-706(a), the total amount of the annual required distribution expended on each allowable perpetuity fund expenditure shall reasonably reflect the total number of purpose-dedicated shares initially

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allocated to that expenditure, divided by the total number of all purpose-dedicated shares in the perpetuity fund.

**35-25-705. Wyoming rural health transformation program.**

There is established the Wyoming rural health transformation program within the department. The department shall administer the program. The program shall be implemented in accordance with the Wyoming rural health transformation plan and shall be limited to the allowable perpetuity fund expenditures authorized in W.S. 35-25-706 and the time-limited initiatives authorized in W.S. 35-25-707. The department shall promulgate rules necessary to implement this section and the program.

**35-25-706. Wyoming rural health transformation program; allowable perpetuity fund expenditures.**

(a) Subject to the availability of funds, the department shall expend the annual required distribution solely for the allowable perpetuity fund expenditures authorized under this section. The allocation of purpose-dedicated shares and annually required distribution expenditures shall seek to achieve the percentage targets for support, grants and awards specified in this section. Upon a written recommendation of the advisory committee, the department may materially deviate from the percentage targets specified in this section to the extent necessary to meet documented need and demonstrated demand for the support, grants and awards specified in this section.

(b) Forty and seven-tenths percent (40.7%) of the annual required distribution shall be allocated for the critical access hospital basic incentive (CAHB) program.

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Under this program, the department shall provide incentive payments to hospitals that elect to participate and that meet service delivery requirements, subject to all of the following:

(i) A participating hospital shall operate a staffed twenty-four (24) hour emergency department with stroke and trauma imaging capability, provide or operate ground ambulance services within its service area, provide basic labor and delivery services if annual births exceed a threshold established by the department and participate in the statewide health information exchange;

(ii) Incentive payments under this subsection may include tiered payments, one (1) time grants, medical debt relief for Wyoming residents and ongoing payments to offset fixed costs.

(c) Twenty-six and nine-tenths percent (26.9%) of the annual required distribution shall be allocated for emergency medical service regionalization. After the submission of a statewide emergency medical services response time model to the joint labor, health and social services interim committee as provided in paragraph (i) of this subsection, the department shall provide incentive payments to emergency medical service providers that elect to participate and that meet regionalization requirements established by rule of the department, subject to the following:

(i) The department shall not require or implement emergency medical service regionalization under this subsection unless it first submits to the joint labor, health and human services interim committee a statewide emergency medical service response time model demonstrating

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no increase in emergency response times, staffing projections including volunteer impacts, inter-county governance and authority agreements and full cost estimates of regionalization, including long-term maintenance costs;

(ii) Eligibility for incentive payments under this subsection shall be limited to joint applications submitted by two (2) or more ground ambulance providers serving a contiguous rural or frontier region;

(iii) Joint applicants shall submit a regionalization plan to the department demonstrating maximization of revenue sources, integration with public safety answering points, use of interoperable equipment and technology, reduction of administrative overhead and commitment to community emergency medical services and tele-crisis stabilization services;

(iv) Incentive payments under this subsection shall include ongoing payments to offset fixed readiness costs and grants for ambulances, interoperability equipment and implementation of regional medical dispatch.

(d) Twenty-one and six-tenths percent (21.6%) of the annual required distribution shall be allocated for workforce education individual support. The department shall administer awards to individual persons for health care workforce education and training costs, including tuition, fees and stipends, subject to the following:

(i) Awards under this subsection shall be used to pay allowable education and training costs for eligible applicants pursuing credentials in one (1) or more of the following fields:

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(A) Nursing, including certified nursing assistant, licensed practical nurse, registered nurse and advanced practice registered nurse programs;

(B) Emergency medical services, including emergency department technician, emergency medical responder, emergency medical technician and paramedic programs;

(C) Clinical behavioral health professions;

(D) Physician education, including undergraduate medical education.

(ii) As a condition of receiving an award under this subsection, an applicant shall agree to provide health care services in Wyoming for a minimum of five (5) years following completion of the approved program, under terms and conditions established by the department;

(iii) An applicant who fails to satisfy the service obligation required under paragraph (ii) of this subsection shall be required to repay to the department all or a prorated portion of the award, together with any applicable interest, as determined by rule of the department.

(e) Ten and eight-tenths percent (10.8%) of the annual required distribution shall be allocated for physician post-graduate medical education (GME) individual support. The department shall administer awards to individuals for physician medical education, including residency and fellowship training costs, subject to the following:

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(i) In awarding funds under this subsection, the department shall prioritize awards to applicants in programs that will increase the supply of family medicine physicians and that provide training in obstetrics or other high-demand specialties, as determined by the department;

(ii) As a condition of receiving an award under this subsection, an applicant shall agree to provide health care services for a minimum of five (5) years in one (1) or more underserved counties within the state, under terms and conditions established by rule of the department.

**35-25-707. Wyoming rural health transformation program; time-limited initiatives; sunset.**

(a) Subject to the availability of rural health transformation funds and subsection (b) of this section, the department is authorized to expend funds for time-limited initiatives in amounts that seek to achieve the following percentage targets:

(i) Thirty-six and four-tenths percent (36.4%) of amounts available for time-limited initiatives for integrated primary care. Expenditures under this paragraph shall be for competitive grants to expand the number and geographical reach of federally qualified health centers in the state through conversion of existing facilities and practices for the integration of primary care delivery models that coordinate primary medical care with behavioral health services, obstetric and gynecological care, dental services and preventive health services;

(ii) Fifteen and one-tenths percent (15.1%) of amounts available for time-limited initiatives for a technology adoption challenge program. Expenditures under

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this paragraph shall be for competitive grants for health care technology procurement. Grants under this paragraph shall be awarded only to joint applications submitted by two (2) or more health care providers and shall be limited to projects that improve care delivery closer to patients' homes, enhance interoperability and coordination among providers and reduce administrative activity;

(iii) Nine and eight-tenths percent (9.8%) of amounts available for time-limited initiatives for exercise and diet programs. Expenditures under this paragraph shall be for competitive grants to Wyoming-based entities to promote physical activity and healthy nutrition. Projects that demonstrate measurable increases in participation in exercise, outdoor recreation or evidence-based nutrition practices shall be prioritized for the grants under this paragraph;

(iv) Eight and two-tenths percent (8.2%) of amounts available for time-limited initiatives for a statewide tele-specialist platform. Expenditures under this paragraph shall be for the procurement and operation of a centralized tele-specialty platform to deliver physician-level specialty consultations to health care providers statewide;

(v) Eight and two-tenths percent (8.2%) of amounts available for time-limited initiatives for workforce education startup costs. Expenditures under this paragraph shall be for competitive grants to support health care workforce training programs operated by educational institutions within the state. Grants under this paragraph shall be awarded to recipients that commit to establishing and maintaining a specified number of training positions for nurses, emergency medical service personnel,

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physicians, clinical behavioral health providers and other health care professionals;

(vi) Eight and two-tenths percent (8.2%) of amounts available for time-limited initiatives for care coordination. Expenditures under this paragraph shall be for competitive grants to hospitals, health care providers and rural health facilities to propose clinically integrated care coordination models for one (1) or more counties to improve the management of chronic disease among persons who are dually eligible for Medicare and Medicaid and who are identified as high risk. Funding awarded under this paragraph may include capped start-up costs, a per-member, per-month care coordination payment for assigned persons and performance-based payments tied to demonstrated cost savings;

(vii) Four and nine-tenths percent (4.9%) of amounts available for time-limited initiatives for centralized billing capacity. Expenditures under this paragraph shall be for centralized billing and revenue collection services for voluntarily participating emergency medical services agencies. This centralized billing capacity initiative may be expanded to other health care providers if the initiative demonstrates effectiveness and financial sustainability;

(viii) Two percent (2.0%) of amounts available for time-limited initiatives for a nonemergency transportation coordination platform. Expenditures under this paragraph shall be for the procurement and operation of a centralized nonemergency medical transportation coordination platform to improve access to health care appointments for seniors, persons with disabilities and other eligible populations. The platform shall facilitate

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the scheduling, coordination and billing of nonemergency transportation;

(ix) Two and six-tenths percent (2.6%) of amounts available for time-limited initiatives for administration. Expenditures under this paragraph include any administrative costs necessary to implement the rural health transformation program, including expenses of the advisory committee;

(x) Four and six-tenths percent (4.6%) of amounts available for time-limited initiatives included in the Wyoming rural health transformation plan that are not specifically authorized in this subsection shall be redistributed for expenditure on the initiatives authorized under this subsection.

(b) Upon a written recommendation of the advisory committee, the department may materially deviate from the percentage targets specified in subsection (a) of this section to the extent necessary to meet documented need and demonstrated demand for the time-limited initiatives specified in subsection (a) of this section.

(c) The authority to administer the time-limited initiatives and any funds for the initiatives under subsection (a) of this section shall terminate upon exhaustion of all rural health transformation funds appropriated or otherwise made available for the initiatives specified in subsection (a) of this section.

**35-25-708. Prohibited uses; legislative notice; reporting.**

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(a) In addition to any other limitations imposed by state or federal law, no expenditure of rural health transformation funds shall be made for abortions or for specified sex-trait modification procedures, as defined in 45 C.F.R. § 156.400.

(b) Each grant, award or expenditure of rural health transformation funds in excess of five hundred thousand dollars (\$500,000.00) shall require written approval of the advisory committee and notice to the legislature not less than ten (10) days prior to authorization of the grant, award or expenditure. For authorized perpetuity fund expenditures, the notice shall identify the proposed recipient, amount, purpose and material terms of the grant, award or expenditure. For time-limited initiatives, legislative notice shall be satisfied by the department providing written notice to the joint appropriations committee in a manner similar to the process specified in W.S. 9-2-1005(b)(ii) and 9-2-1013(b).

(c) The state budget department, in consultation with the department, shall develop and maintain an electronic reporting portal to provide current information on expenditures and program activity of rural health transformation funds.

**35-25-709. Recipient reporting; performance and accountability agreements; repayment.**

(a) The department shall require each recipient of funds under the Wyoming rural health transformation program to submit reports sufficient to demonstrate compliance with applicable state and federal requirements. At a minimum, required reporting shall include detailed expenditure

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information, performance measures and documentation demonstrating the authorized use of funds.

(b) The department shall require each recipient hospital, clinic, emergency medical service provider or other health care-related organization receiving funds under the programs authorized in W.S. 35-25-706 to enter into a written performance and accountability agreement with the department. At a minimum, the agreement shall include requirements relating to:

- (i) Operating margin targets;
- (ii) Days cash on hand;
- (iii) Liquidity ratio benchmarks;
- (iv) The adoption of modernization and efficiency practices, including improved revenue cycle management systems;
- (v) The development and implementation of a plan to reduce unprofitable, duplicative or nonessential service lines;
- (vi) Participation in shared services, regional collaboration or other cost-containment arrangements where feasible; and
- (vii) Submission of independent financial audits to the department for annual collection and transmittal to the joint appropriations committee.

(c) A recipient of funds under the Wyoming rural health transformation program that fails to comply with a

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requirement, condition or obligation imposed by statute, rule or performance and accountability agreement, or that fails to meet required performance targets, misuses funds, expends funds for purposes not authorized under state or federal law or fails or refuses to implement required operational reforms, shall repay to the department all or a prorated portion of the funds received, as determined by the department. The department may recover amounts owed under this subsection by any means authorized by law.

**Section 2.** The department of health shall adopt all rules necessary to implement this act.

**Section 3.** During the 2026 interim, the joint labor, health and social services interim committee shall study policy issues identified in the Wyoming rural health transformation plan, as defined in W.S. 35-25-702(a)(vii) created in this act, and may prepare any legislation it deems necessary for consideration by the legislature.

**Section 4.**

(a) Federal funds awarded to the state of Wyoming under the federal rural health transformation program established by section 71401 of the federal One Big Beautiful Bill Act, P.L. 119-21, are appropriated to the department of health, subject to the following:

(i) In federal fiscal year 2026, eighty percent (80%) of funds awarded for that fiscal year shall be deposited into the Wyoming rural health transformation perpetuity fund, as defined in W.S. 35-25-702(a)(iv) created in this act. Thereafter, in each subsequent federal fiscal year, sixty-nine and five-tenths percent (69.5%) of

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funds awarded in that fiscal year shall be deposited into the Wyoming rural health transformation perpetuity fund;

(ii) In federal fiscal year 2026, twenty percent (20%) of funds awarded for that fiscal year are appropriated for the time-limited initiatives authorized in W.S. 35-25-707, as created in this act. Thereafter, in each subsequent federal fiscal year, thirty and five-tenths percent (30.5%) of the funds awarded in that fiscal year are appropriated for the time-limited initiatives.

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**Section 5.** This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Governor

TIME APPROVED: \_\_\_\_\_

DATE APPROVED: \_\_\_\_\_

I hereby certify that this act originated in the House.

\_\_\_\_\_  
Chief Clerk